

EQ

LOUISIANA ECONOMIC QUARTERLY



Louisiana's **FAST START**

CREATING



a more **Competitive** Workforce

**ECONOMIC DEVELOPMENT:
A RECORD YEAR**

**INSIDE BARKSDALE
AIR FORCE BASE**

**LOUISIANA'S NUCLEAR
RENAISSANCE**

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letter from Secretary Moret



With higher job growth and lower unemployment than the rest of the South and the United States, Louisiana ended 2008 with a record year for economic development. This issue includes examples of the many expansion and recruitment wins that helped create this outstanding economic performance.

Our cover story highlights Louisiana's comprehensive new workforce development reform plan, including one of its most exciting components: Louisiana FastStart™, a turnkey workforce solution for new and expanding businesses.

In 2008, Louisiana landed the nation's first nuclear-module manufacturing facility. Our industry outlook section details why this represents a major step toward Louisiana becoming a dominant player in the coming nuclear-energy renaissance.

Pennington Biomedical Research Center in Baton Rouge is one of the top nutrition research centers in the world. Its new \$50 million state-funded expansion will create roughly 1,000 new jobs and will enhance its commercialization potential (see page 10). This issue also details how Barksdale Air Force Base is leading the way in the nation's

nuclear defense, while preparing for a much greater role in the cyberspace defense of our country.

We also include a provocative interview with William Joyce, a renowned animator proving that Louisiana can become one of the country's hottest animation destinations, as well as a spotlight on NFT, a high-growth technology company that is revolutionizing Internet video broadcasting.

With assets like FastStart, Barksdale, Pennington, NFT and William Joyce, Louisiana is well positioned to secure new business investment in the year ahead – despite the national recession.

Thank you for your interest in the great state of Louisiana.

Best regards,

Stephen Moret, Secretary
Louisiana Economic Development

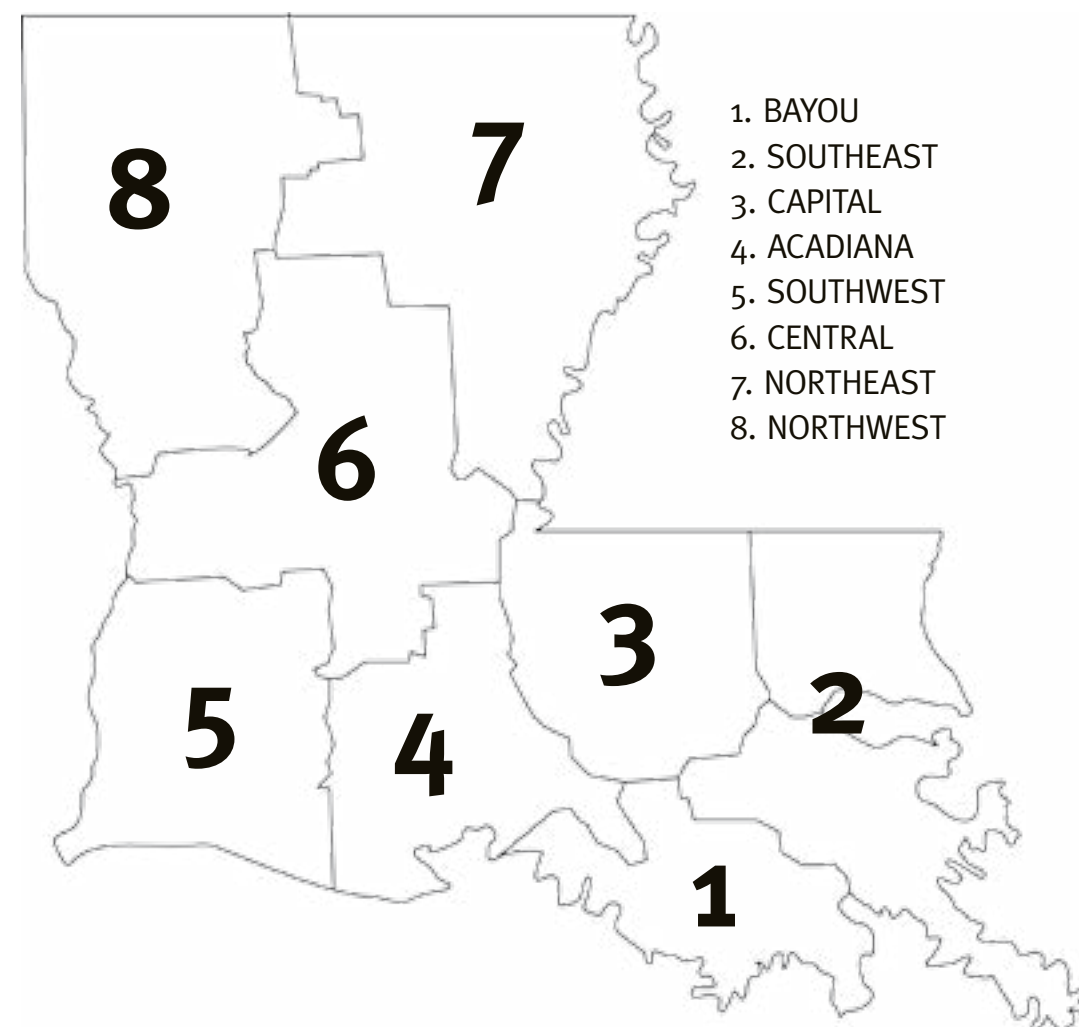
economic

UPDATE

THE ECONOMY IN 2008

Outperforming the United States and the South

Louisiana ended 2008 with a record year for economic development in the midst of a national recession. Despite the national slowdown, Louisiana's economy continued to outperform the nation and the South with higher job growth and lower unemployment rates. Dozens of companies announced expansions in or relocations to Louisiana, kicking off projects that will result in over 17,000 new jobs, \$2.5 billion in new capital investment, nearly \$50 million per year in new state tax revenues and billions of dollars in new sales for Louisiana's small businesses.



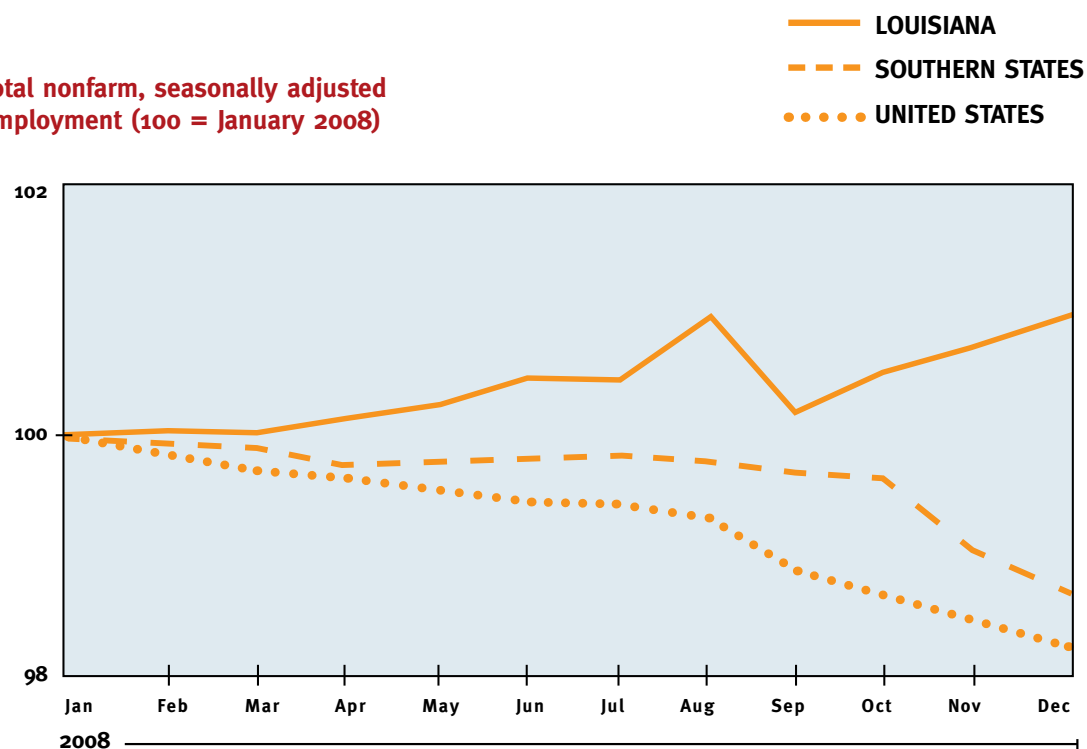
Last year brought several business development wins in new growth industries, including digital media, nuclear energy, value-added agribusiness and alternative energy. Electronic Arts Inc., the world's leading interactive entertainment software company, announced that it will place its new global quality assurance center in Baton Rouge, La., creating roughly \$6 million per year in new payroll. Westinghouse and The Shaw Group announced a joint venture to build the nation's first nuclear module fabrication and assembly facility in Lake Charles, La., generating over 1,400 new jobs and over \$100 million in capital investment. In addition, Tyson Foods and Syntroleum

Corp. broke ground on a new joint venture that will create high-quality diesel fuel from animal fats, generating 45 high-paying jobs and nearly \$140 million in capital investment.

In 2008, Louisiana also reversed the trend of losing corporate headquarters to other states. Albemarle Corp., a Fortune 1000 company, announced plans to move its corporate headquarters from Richmond, Va., to Baton Rouge, La. Shortly thereafter, two companies, Bercen Inc., a specialty chemicals manufacturer, and Horizon Entertainment, a production and film company, moved their corporate headquarters to Louisiana. The Shaw

LOUISIANA'S EMPLOYMENT GROWTH IS OUTPACING THE REST OF THE COUNTRY

Total nonfarm, seasonally adjusted employment (100 = January 2008)



Source: United States Bureau of Labor Statistics; LED analysis

Group, a Baton Rouge-based Fortune 500 company, committed to remain in Louisiana for 15 years and to increase its professional/non-craft head count by 75 percent. In addition, CenturyTel Inc. and EMBARQ Corp. merged, forming another Fortune 500 company in Louisiana.

Furthermore, Louisiana improved in numerous national rankings, reflecting significant policy changes designed to move Louisiana toward a more secure economic future. Although the national recession will continue into 2009, Louisiana is well positioned to attract significant new business investment in the year ahead.

Employment

While the U.S. economy lost jobs each month of 2008, Louisiana gained jobs during eight of the past 12 months. In fact, Louisiana

had only one significant monthly decline (September 2008) due to economic disruptions from hurricanes Gustav and Ike. Louisiana was the only state in the country to gain jobs over the month of December, an increase of 3,700 jobs or 0.2 percent. Similarly, Louisiana's unemployment rate remained well below that of the South and United States for every month of 2008. Over the fourth quarter, unemployment in Louisiana rose 0.7 percentage point to 5.9 percent, while increasing 1.0 point nationally to 7.2 points. From December 2007 to December 2008, Louisiana's total nonfarm employment grew by 8,200 jobs, or 0.4 percent, to 1,958,000 jobs, while employment across the rest of the South and the United States overall fell by 1.3 percent and 1.9 percent, respectively.

The fourth quarter showed net employment gains over the previous year across all state industry sectors, with the exception of manufacturing and retail trade. Construction and health services proved the largest annual net employment gainers.

Despite the national recession, Louisiana gained jobs during eight of the past 12 months.

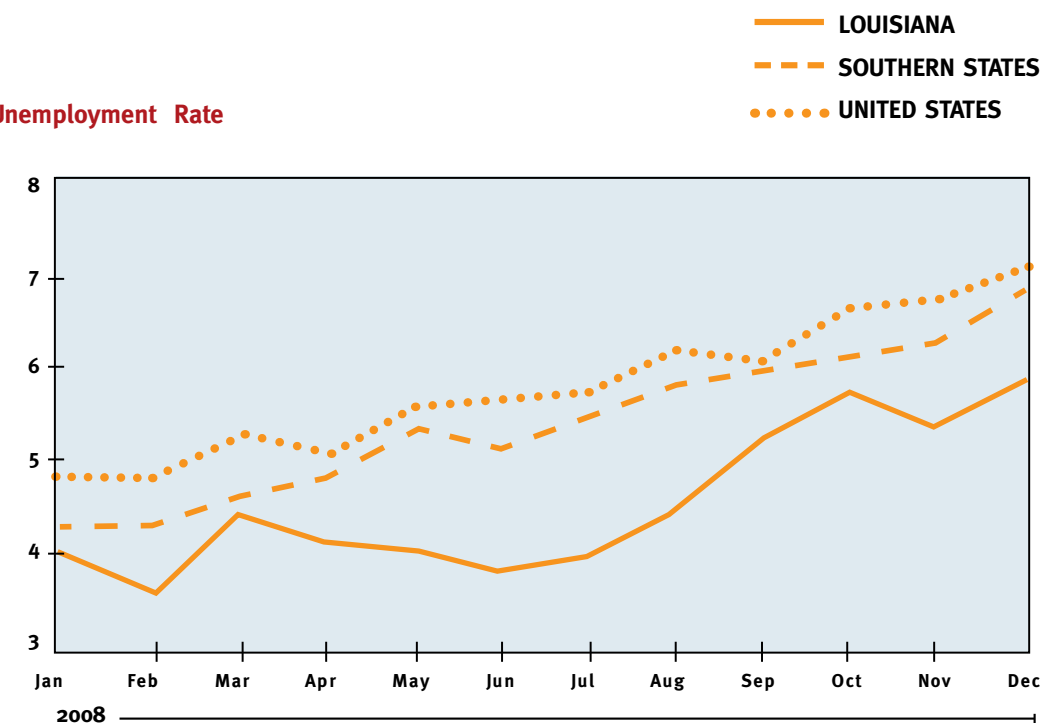
The construction sector accounted for a net gain of 5,100 jobs (+3.8 percent), with the greatest increases occurring in engineering construction and utility structure segments. The health services sector recorded a net gain of 4,700 jobs (+2.2 percent), with nearly half of the gain in the New Orleans MSA, where the number of industry jobs has been rising steadily since falling nearly 38 percent after Hurricane Katrina.

Regarding annual job gains, several areas of the state stood out in the fourth quarter. The Baton Rouge MSA experienced the strongest employment growth over the fourth quarter in percentage terms, a 1.6 percent increase of 6,100 jobs. With a gain of 6,800 jobs (1.3 percent), the New Orleans MSA enjoyed

the greatest quarterly job growth in absolute terms. In the Lake Charles MSA, construction employment jumped 3.8 percent over the fourth quarter, an increase of 400 jobs. And the Monroe MSA gained 300 jobs. In addition, the Acadiana Region appears poised for job growth – Manpower Inc. ranked Lafayette ahead of every other metropolitan area in the country for hiring projections for early 2009. Additionally, the state as a whole saw a large increase in housing permits, a jump from 578 in November to 750 in December.

LOUISIANA'S UNEMPLOYMENT RATE HAS REMAINED BELOW THAT OF THE UNITED STATES OVER THE PAST YEAR

Unemployment Rate



Source: United States Bureau of Labor Statistics; LED analysis

LED secured 34 major project wins in 2008, including 24 company expansions and 10 new companies.

Vernon Parish in Central Louisiana was the only parish that saw an improvement in its unemployment rate, which dropped 0.2 percentage point over the past year. Though unemployment rates across the state have risen over the last year, the Southwest Region recorded the smallest annual increase, a 1 percentage-point change.

Investment and job creation

While the nation was shedding jobs every month in 2008, dozens of companies committed to invest \$2.5 billion in new capital in Louisiana and to create thousands of new jobs. Working with local and regional partners, Louisiana Economic Development secured 34 major project wins in 2008, including 24 company expansions and 10 new companies. Included were projects in Louisiana's traditional industries, such as agriculture, shipbuilding and petrochemicals, as well as projects in new growth industries such as nuclear energy, digital media and alternative energy. Together these 34 projects promise to generate 10,005 retained jobs, 6,241 new direct jobs and over 11,000 new indirect jobs. These projects are expected to generate billions in sales for small businesses and result in \$50 million per year in new state tax revenue.

For the fourth quarter, the Bayou Region scored the largest business development win in terms of job creation when Gulf Island Fabrication Inc. of Terrebonne Parish announced plans to expand operations to include a fifth subsidiary, creating 200 new jobs. With ADA-ES Inc.'s October groundbreaking in Red River Parish, the Northwest Region attracted the fourth quarter's largest capital investment of \$350 million.

Housing

Despite the national real estate crunch, Louisiana's real estate markets continued to perform well during the fourth quarter. While sales volumes and new housing starts have slowed significantly, Louisiana did not experience the

real estate price declines that plagued much of the country. According to PMI Mortgage Insurance Co.'s U.S. Market Risk Index, all Louisiana metro-area housing markets have a minimal risk

of a drop in housing prices through the second quarter of 2010. During the fourth quarter, Louisiana saw a 10 percent year-to-year drop in foreclosures, while the nation saw a 25 percent increase. Louisiana holds the 10th lowest foreclosure rate in the country. However, Louisiana's 1,800 foreclosures in the fourth quarter represent a 35 percent increase over the third quarter and were largely concentrated in five urban parishes, with Orleans, Jefferson and St. Tammany parishes accounting for 64 percent of the total, followed by Rapides and Bossier parishes.

The fourth quarter continued to show a general downward trend in single-unit housing permit applications, which fell eight percent in Louisiana and 46 percent in the nation from the previous quarter. The Central and Northwest regions showed the greatest declines in the most recent quarter (-65 percent and -55 percent, respectively), while the Central Region showed the greatest decline over the year (-70 percent). The Capital, Northwest, Southeast and

Louisiana holds the 10th lowest foreclosure rate in the country.

Southwest regions all showed declines between -50 percent and -56 percent over the year. The New Orleans MSA saw the only increase of single-unit housing permits over the quarter, a gain of 11.9 percent to 178 permits authorized. However, the state as a whole saw a large increase in housing permits, with a jump from 578 in November to 750 in December.

Fortunately, Louisiana banks remain as healthy as before hurricanes Katrina and Rita and continue to make loans. *BusinessWeek* named New Orleans and Baton Rouge, the state's two most populous metropolitan areas, among the most stable cities in America to ride out the recession. And

LOUISIANA HAS CONSISTENTLY CREATED JOBS OVER THE LAST 12 MONTHS WHILE THE NATIONAL ECONOMY HAS DECLINED

Change in employment from previous month (thousands)



Source: United States Bureau of Labor Statistics; LED analysis

for the second consecutive year, Louisiana experienced a net gain in population. With an overall increase of 37,500 people, or 0.9 percent, Louisiana is the 23rd fastest growing state in the nation.

The year ahead: maintaining momentum in a difficult national economic environment

Although the national recession will continue into 2009, Louisiana is well positioned to secure significant new business investment, with several business development projects close to final decisions.

While Louisiana's economy outperformed the nation and the South during 2008, the state's economic performance in the year ahead will be greatly impacted by the price of oil. If oil stays at or below its current level for an extended period, the state's economic performance may begin to more closely reflect that of the country overall, as lower oil prices would offset strengths elsewhere in the state's economy.

LED's leadership role in retaining, expanding and attracting businesses, as well as improving Louisiana's state economic competitiveness, will continue to be important as the state establishes itself as a new frontier for business investment and opportunity. **EQ**



Capital Region Gets \$922 Million Boost

For every state dollar invested in its operations, PBRC has generated \$3.72 in research funding from non-state sources.

In 1980, C.B. "Doc" Pennington placed \$125 million in trust to Louisiana State University for a major research center. Today, not only is Pennington Biomedical Research Center among the nation's largest university-based research centers, it is a major regional economic asset.

Since the PBRC's inception, the Louisiana Legislature has backed the facility with significant resources. Most recently, Gov. Bobby Jindal and the Legislature allocated \$50 million in the last session alone to assist with construction of a new Clinical Research Building and Imaging Center, the addition of a Central Utilities Plant and Storage Facility, renovations to the existing clinic, infrastructure upgrades, research equipment purchases and startup packages for scientist recruiting. This investment will yield more than 1,000 new and indirect jobs, with annual earnings exceeding \$40 million.

For every state dollar invested in its operations, the center has generated \$3.72 in research funding from

non-state sources. The state appropriation has helped PBRC generate \$488 million in external revenue since its inception. According to the U.S. Department of Commerce, each dollar of research expenditures generates \$1.89 of economic activity, creating an overall contribution of more than \$922 million to Louisiana's economy since 1980.

"Most people don't think of scientists as entrepreneurs," explained William Silvia, chief financial officer of the Pennington Medical Foundation, the trust that started the center. "But our scientists do function that way. They seek out investment in the form of grants; they create jobs and hire people who invest in the community—just like any other business."

PBRC employs nearly 600 people in basic, clinical and population science research aimed at preventing diabetes, obesity, cardiovascular disease, cancer and dementia. The center is also a pioneer in the field of translational research. "Translational research is an effort to take ideas created in the lab and

translate them to real-world applications fairly quickly," said Silvia. "For example, with the projected rising of health care costs, we're working on a medical insurance project that will use some of the knowledge developed here to help improve employee health and in turn control health care and insurance costs."

The approach is already producing commercial ventures. Esperance Pharmaceuticals Inc., founded on technologies developed by PBRC, LSU and LSU AgCenter researchers, is developing a toxic fusion protein selectively targeted to cancer cells. The company has attracted an initial investment of \$9 million. NuPotential Inc.'s cell reprogramming work will enable cell therapy researchers to develop new regenerative medicines more quickly and precisely. NuPotential has received over \$3 million in venture funding. And startup BodyEvolution Technologies Inc. is developing an interactive software tool to help psychologists, therapists and health counselors address body image and related behavioral issues.

As an economic development asset, PBRC sets the standard. The center's impressive history and strong research, development and commercialization capabilities make continued growth a certainty, both on the local and regional levels. **EQ**

THE STATS

- Pennington has 600 total employees, most of whom have above-average salaries
- Each PBRC researcher generates an average of half a million dollars a year in external research funding
- State contribution is less than 25 percent of overall operating budget
- For every state dollar invested in its operations, PBRC has generated \$3.72 in research funding from non-state sources
- PBRC has leveraged state's contribution into \$488 million more from federal and private sources

OTHER FUNDING SOURCES SINCE 1980

- Pennington Medical Foundation/Pennington Biomedical Research Foundation: \$159 million
- Federal grants: \$213 million
- Private sector contracts: \$119 million



BARKSDALE AIR FORCE BASE

A Weapon In Louisiana's Economic Arsenal

Louisiana's federal and military installations represent a significant portion of the state's overall economy, including Barksdale Air Force Base, or BAFB, in Bossier Parish.

BAFB's role as an economic driver is critical and has potential to grow significantly in the future — a potential recognized by Louisiana's leaders. The combined forces of Gov. Bobby Jindal, the Louisiana Legislature, the city of Bossier, the Bossier Parish government and a local booster organization, Barksdale Forward Inc., have all invested substantial resources to cement its place in the region. And they have good reason to invest in the future of BAFB.

Currently about 9,600 active-duty reservists and civilians work at BAFB, according to Barksdale Forward President and Chief Operating Officer Murray Viser. Approximately 750 jobs will be added next year. Include family members, and you have nearly 14,000 people. Another 18,000 to 20,000 retirees have settled in Northwest Louisiana as well, adding their investment into the community. The base itself accounts for \$600 million to \$700 million in economic impact each year, according to figures from BAFB's public information office.

What also makes BAFB important nationally is its role in leading military and national defense arenas. Barksdale is home to the 2nd Bomb Wing and B-52 Bomber, which have played significant roles in Vietnam, the Persian Gulf War, Afghanistan and Iraq. Of the 750 new jobs, 300 will be in B-52 flight training.

And there is more fuel for the Barksdale fervor. On the nuclear side, BAFB is expected to retain its integral role in nuclear deterrence and defense. Recent expansion of the Air Force's

nuclear mission will add 400 jobs when BAFB's weapons storage area reopens.

Moreover, BAFB also is in the running to be the home of Air Force Global Strike Command, which could bring nearly 1,000 more jobs. Furthermore, Air Force cyber operations have been housed at BAFB. Although the future of Air Force Cyber Command remains uncertain, Craig Spohn, executive director of the nearby Cyber Innovation Center, believes existing operations are likely to stay.

Until the Air Force decides, local and state officials are investing aggressively. They've committed \$107 million to the Cyber Innovation Center and its 64-acre home, the National Cyber Research Park. State government, to support Barksdale's long-range future in nuclear, cyber and other mission areas, has contributed \$57 million to the project — two-thirds for transportation improvements and one-third for site development and infrastructure. The balance of the \$107 million is coming from local sources.

**Approximately 750
jobs will be
added at BAFB.**

"The world is moving away from conventional warfare," said Spohn. "And there is federal recognition of and appreciation for the role of the Cyber Innovation Center in support of the Air Force and its cyber mission. This lends itself to the future success of Barksdale and its continuing place in keeping our nation safe from cyber terror."

With all these assets, Barksdale is well positioned to continue to be of crucial importance economically — to Northwest Louisiana and to the state as a whole. Barksdale will continue to be important to the nation's defense as well. **EQ**

momentum LOUISIANA

11 companies that said 'YES' to Louisiana



ADA-ES INC.

**50 new jobs @ \$50,000 to \$65,000 avg.,
\$350 million capital investment**



ADA-ES Inc. broke ground in October 2008 in Red River Parish on what is expected to be North America's largest activated carbon (AC) production facility. The first production line is expected to come online in 2010 and will be capable of producing 125 million to 175 million pounds of AC per year. Red River Environmental Products LLC is building the AC production facility to address the pressing need for clean coal technologies.

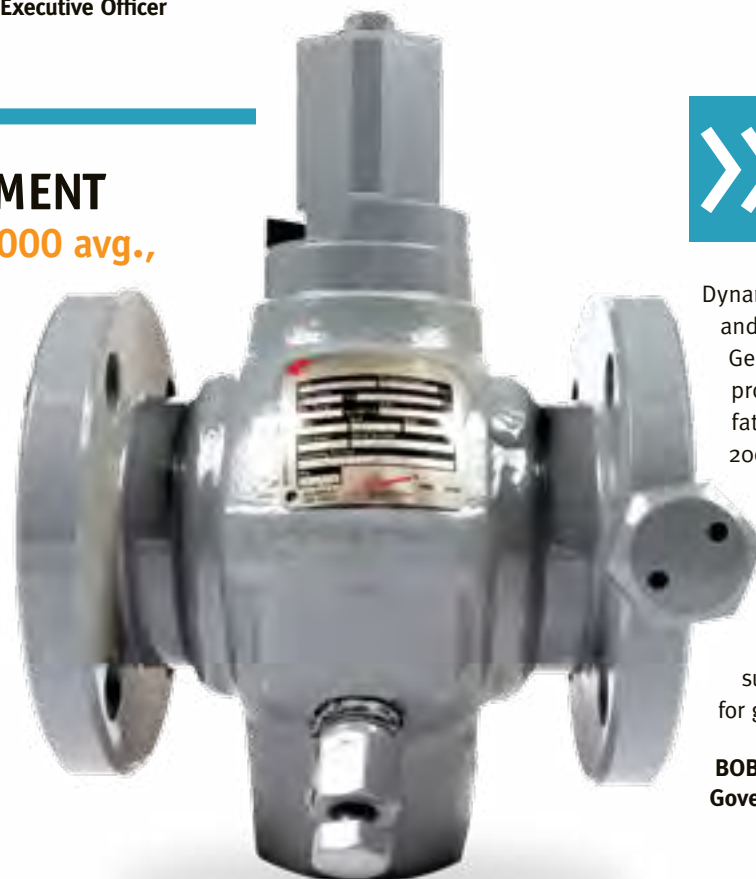
"We've enjoyed an excellent relationship with Red River Parish and Louisiana state officials who had the foresight to move this project forward for the benefit of constituents, in that it will help stimulate job creation and provide an overall economic boost to this part of Louisiana."

MICHAEL DURHAM
President and Chief Executive Officer
of ADA-ES Inc.



CAMERON VALVES & MEASUREMENT

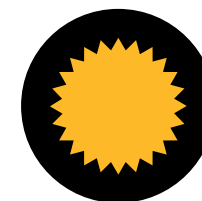
**110 new jobs (500 retained) @ \$49,000 avg.,
\$49 million capital investment**



Cameron Valves & Measurement is adding a 125,000-square-foot building to its existing manufacturing facility in Ville Platte. Cameron (NYSE: CAM) is a leading provider of flow equipment products, systems and services to worldwide oil, gas and process industries. The expansion in Evangeline Parish will increase Cameron's capacity, streamline manufacturing processes and improve efficiency.

"This expansion project is Cameron's second-largest manufacturing capital investment worldwide. The expansion will secure Ville Platte's future in the valve manufacturing industry."

JOSH STANFORD
Plant Manager of Cameron Valves & Measurement



CRITERION CATALYSTS & TECHNOLOGIES



CRITERION CATALYSTS & TECHNOLOGIES L.P.

**53 new jobs (17 retained) @ \$59,000 avg.,
\$250 million capital investment**

Criterion Catalysts & Technologies L.P. will expand its operations at the Port Allen-based plant by 2009, which will allow the company to manufacture several types of alumina powder as well as catalysts. Criterion is one of the world's largest suppliers of hydroprocessing catalysts, with more than 50 years experience developing and producing alumina catalysts.

"The decision to locate Criterion's world-class manufacturing facilities at Port Allen has been embraced by both the state and parish as a valuable economic development project. It is this type of support that facilitates Criterion's vision of making the Port Allen manufacturing facilities a reality."

BILL HOWELL
Venture Manager of Criterion Catalysts & Technologies L.P.



DYNAMIC FUELS LLC

**45 new jobs @ \$85,000 avg.,
\$127 million capital investment**

Dynamic Fuels LLC, a joint venture between Tyson Foods and Syntroleum Corp., selected Lion Copolymer's Geismar plant as the site for a new refinery that will produce renewable diesel and jet fuels from animal fats. A groundbreaking ceremony was held in October 2008 with fuel production scheduled to start in 2010. Capital funding is expected to include \$100 million in Gulf Opportunity Zone bonds previously approved by the Louisiana State Bond Commission.

"Developing alternative sources of energy is a vital part of the future of our nation's economy, and as such, this investment in Louisiana will serve as a catalyst for greater business expansion and job creation."

BOBBY JINDAL
Governor of Louisiana



"We extend our sincere thanks to the state of Louisiana and Ascension Parish for their support of this important project. We believe our fuels will have applications in the municipal transit, military and airline sectors."

JEFFREY BIGGER
Management Committee Director of Dynamic Fuels LLC



GULF ISLAND MARINE FABRICATION LLC

**200 new jobs (1,300 retained)
@ \$53,000 avg.,
\$29 million capital investment**

Gulf Island Fabrication LLC is expanding its operations to include a fifth subsidiary, Gulf Island Marine Fabrication LLC in Terrebonne Parish. Gulf Island will use a \$2.3 million performance-based loan to assist with the marine division expansion. The company will use the Economic Development Award Program funds to improve an industrial-grade surfaced roadway, a publicly owned sewage collection system, and a water line with fire hydrants and drainage system.

“The state of Louisiana has really stepped up to assist Gulf Island Fabrication. The [EDAP] funding will help develop our infrastructure, which will in turn help grow our company. Because of positive changes we see in Louisiana, our board of directors is committed to staying and expanding in Houma.”

KERRY CHAUVIN
Chief Executive Officer of Gulf Island Fabrication LLC



BEVEL TECH GROUP INC.

**15 new jobs (18 retained), \$950,000
capital investment**

Bevel Tech Group Inc., a full-service machine shop, field machinist and steel catenary riser machining specialist located in Ascension Parish, finished construction in December 2008 on a new 24,000-square-foot facility to continue its machining services to the petrochemical, power generation and offshore sectors. The company specializes in boring deep-water pipe that is used for oil lines placed in waters around the world.

“Originally, we were a small company with only six employees. But in the last couple of years, we’ve experienced phenomenal growth. A lot of that growth couldn’t have been possible without local and state economic development officials, who were instrumental in giving us the guidance and assistance [with EDAP funds] to make the growth we needed a reality.”

KEVIN BOURGEOIS
Owner of Bevel Tech Group Inc.



CAMP MINDEN

**117 new jobs, \$27.8 million
capital investment**

Camp Minden, located in Webster Parish, serves as a major training facility used by the Louisiana Army and Air National Guard. Louisiana recently invested \$4 million from its Rapid Response Fund to secure \$23.8 million of federal funding for the Regional Training Institute in Northwest Louisiana. The facilities will be constructed in four phases and are scheduled to be complete over the next 10 years. Initial construction on the facilities is scheduled to begin in summer 2009.

“The state funding of \$4 million will be used specifically for a dining facility in support of the Regional Training Institute. This is a huge project that allows the guard to move forward with training soldiers in the southeast portion of the United States. The dining facility’s completion is a catalyst for the RTI. We are very excited and look forward to the RTI facilities’ completion.”

LT. COL. BILL ALDRIDGE
Camp Minden



MOTORTECH AMERICAS LLC

**8 retained jobs,
\$1 million capital investment**

MOTORTECH Americas LLC is an affiliate of Motortech GmbH, located in Celle, Germany. MOTORTECH Americas relocated their Chicago operations to New Orleans in November 2008 with plans for a manufacturing/assembly expansion in mid-2009. MOTORTECH specializes in high-technology system solutions and accessories for industrial gas engines. LED assisted with site selection for the new facility, identifying strategic partners and locations in Louisiana, as well as other issues important to this international conglomerate.

“This is a great example of how economic development professionals working together can join the dots and make projects like MOTORTECH Americas happen. Because of this involvement from all areas, MOTORTECH was impressed with the level of assistance from Louisiana.”

DAVID SMALLMAN
Louisiana Economic Development European Representative

“New Orleans is a centrally located base that not only serves the local Gulf energy market, but is also a desirable port location that allows us to import/export product to expanding markets in North America, Central America and South America. In addition to the closer proximity to our core customer base, LED, with the state of Louisiana, offered superior short-term and long-term incentives.”

BRENT POWERS
Vice President, Sales and Distribution of MOTORTECH Americas LLC



AUCOIN & ASSOCIATES 4 new jobs (5 retained) @ \$30,000 to \$50,000 avg., \$4,418 SEBD investment



Aucoin & Associates is a psychology practice located in Lafayette. Since Donna Aucoin's certification in LED's Small and Emerging Business Development program, she has worked with the Lafayette Small Business Development Center and has received industry-specific software training, marketing materials and Web site design assistance, and human resource consulting. The company expanded operations to a new facility that houses its private practice and a training facility.

"Working with the SBDC has been fabulous. As a psychologist, I haven't received formal training in the business arena. The SBDC was able to help me problem-solve and generate solutions – they even offered financial assistance. I thought 'Why haven't I done this before?' The assistance has been a timesaver and a money saver."

DONNA AUCOIN, PH.D.
 Owner of Aucoin & Associates

FORTUNE 500 HEADQUARTERED IN LOUISIANA



In October 2008, Louisiana-based CenturyTel Inc. and Kansas-based EMBARQ Corp. announced their decision to merge, forming Louisiana's third Fortune 500 company.

CenturyTel and EMBARQ's merger will strengthen the new company's competitive position and boost its financial strength. While the company's name has not been determined, it will operate in 33 states, serve two million broadband customers and 40,000 video subscribers, and operate eight million access lines. The company's headquarters will remain in Monroe, La., with a significant operating presence maintained in Overland Park, Kan.

technical colleges, and an airport with access to major hubs, such as Dallas and Atlanta. North Louisiana is also CenturyTel's birthplace, which was another important factor in the company's decision.

Currently, CenturyTel is one of three Fortune 1000 companies in Louisiana, along with Pool Corp and Albemarle Corp. After the merger, CenturyTel will join Entergy and The Shaw Group as a Fortune 500 company.

COMBINED COMPANY ANTICIPATED STATS:

- Pro forma revenue exceeding \$8.8 billion
- Pro forma EBITDA of approximately \$4.2 billion
- Pro forma free cash flow of approximately \$1.8 billion, based on anticipated full run-rate synergies and operating results for the 12 months ended Sept. 30, 2008

According to Annmarie Sartor, a company spokesperson, CenturyTel chose to keep its headquarters in Monroe because of the city's proximity to the I-20 corridor, universities and



MIKE'S HARDWARE \$20,062 company investment, \$8,780 SEBD investment

Established in 1981, Mike's Hardware, a family-owned business, is located in New Orleans. Much of the company's client base was eliminated due to area flooding after Hurricane Katrina. To grow and expand its services, Mike's Hardware has worked with the Small Business Development Center in New Orleans to receive funding assistance from the Small and Emerging Business Development program for the purchase of a point-of-sales-system, which electronically processes sales and captures customer information.

"Through the SEBD program, we received [the] point-of-sales-system software and installation training. We hope that this new computerized system will streamline our services, enabling employees to interact more with customers, engage in outside sales and secure commercial accounts."

LEE LAFLEUR
 Owner of Mike's Hardware



BY THE NUMBERS [2008]

What Will LED's 34 Major Business Development Wins* Generate?

Despite the national slowdown, Louisiana's economy remained on solid ground in 2008, outperforming that of the nation and the South. Louisiana also began to reverse decades of negative population trends — due in part to its strong economic performance.



6,240 New Direct Jobs



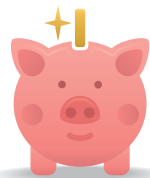
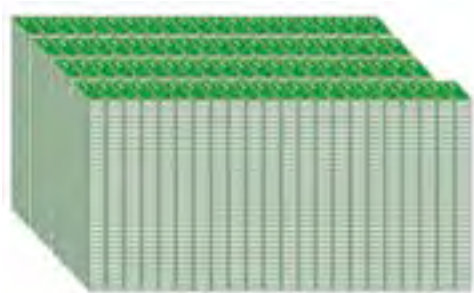
17,250 Total New Jobs



10,000+ Retained Jobs

\$45 MILLION

Per Year in New State Tax Revenue



\$2.5 BILLION
In New Capital Investment

= 1,000 Jobs
 = \$10,000

*These numbers DO NOT include the support LED provided to thousands of small businesses in 2008, including those served by LED's Small and Emerging Business Development Program, Louisiana Small Business Development Centers with funding support from LED, and LED's Business Recovery Grant and Loan Program. Through November 2008, LED and SBDC's efforts alone generated 1,017 new small-business jobs, more than 200 new businesses and \$45.3 million in capital investment for small businesses.

Louisiana Outperforming the Nation and the South

5th

Louisiana's ethics ranking went from 46th to 5th in the nation

8,500

More jobs in Louisiana at the end of 2008 than the end of 2007



Citing effective fiscal management, three major credit ranking agencies — Moody's, Standard & Poor and Fitch — upgraded Louisiana's bond rating in 2008

For the first time ever, LSU ranked in the top tier of *U.S. News and World Report* college rankings



5th

ALBEMARLE
Louisiana got its fifth Fortune 1000 Headquarters (Albemarle Corp.)

36 Straight months of unemployment rates below the national average and Southern averages

TOP 10

Baton Rouge and New Orleans were ranked among the top 10 recession-proof cities in the country by *BusinessWeek*

#17

Louisiana's *Forbes* growth prospects ranking went from #45 to #17



#1

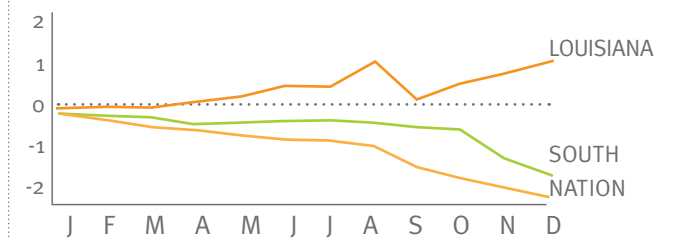
In December 2008, Louisiana was the **ONLY** state to add jobs

10

The state increased its position in 10 major national business rankings

+0.4%

Job Growth in Louisiana (South -0.7%, Nation -1.5%)



3rd

CENTURYTEL

Louisiana got its third Fortune 500 Headquarters (CenturyTel/EMBARQ)

#22



Louisiana went from unranked to No. 22 in *Site Selection Magazine's* Top State Business Climate rankings



2nd

Year in a row of net population IN-migration



Film about aging backwards propels Louisiana forward. Filmed in Louisiana, "The Curious Case of Benjamin Button" starring Brad Pitt and Cate Blanchett earned 13 Oscar nominations, the most of any other single film in 2008.

LOUISIANA ENTERTAINMENT ENJOYS RECORD YEAR

Thanks to innovative incentives and a talented workforce, Louisiana's film industry is one of the largest in the country, 3rd only behind California and New York.

\$800 MILLION in
Production Budgets

\$500 MILLION Spent
in Louisiana

\$60MM Over 20 digital media projects applied for Louisiana's new digital media tax credit program, representing almost \$60 million of investment based on estimated production budgets.



80 Major Productions

Louisiana set a production record with 80 major film and television projects, representing more than \$800 million in production budgets, including approximately \$500 million spent in-state.



Louisiana successfully recruited several film and TV production companies, including Horizon Entertainment from Atlanta and two companies from Los Angeles, Bullet Films and Sweet Post.

For directors, producers, actors and other industry professionals, Louisiana's attractions include:

- National-model tax incentives
- Qualified workforce
- Well-developed infrastructure of support businesses
- Variety of locations
- Unique *joie de vivre*
- Strong public support for the industry

LOUISIANA

Leading the Nuclear Renaissance



From the 1950s to the 1970s, the U.S. nuclear industry flourished. But in the late 1970s, the Three Mile Island incident, costly permitting delays and overcapacity caused America's nuclear-energy industry and subsequent expansion to grind to a screeching halt.

Fortunately, the United States has made significant technological, policy and regulatory improvements since the 1970s that have laid the groundwork for a resurgence of nuclear energy. Today the demand for carbon-free energy, rising energy costs and soaring global needs are driving a national nuclear resurgence, resulting in new government policies that favor nuclear power, growing public support for expanding nuclear energy and increased investment in nuclear reactors. Combined, these factors have created a healthy business environment for the nuclear industry to flourish in the 21st-century economy.

And with all eyes on the burgeoning nuclear renaissance, many industry leaders are looking toward Louisiana. The Shaw Group Inc., a Baton Rouge-based Fortune 500 company, recently announced plans that solidify Louisiana's position as a leader in nuclear innovation. In partnership with Westinghouse, The Shaw Group will manufacture modules for the AP1000™—one of the safest, most economical nuclear

power reactors available in the global marketplace. Modules will be manufactured in Lake Charles, La., creating at least 1,400 jobs.

With Shaw's 20 percent stake in Westinghouse, whose technology provides the basis for 60 percent of the nation's and 50 percent of the world's nuclear reactors, Louisiana has an opportunity to become a world leader in this high-growth industry.

"We know that we have to invest more in alternative domestic energy sources, such as wind, ethanol, solar and nuclear energy," said Gov. Bobby Jindal. The governor also noted that the Shaw-Westinghouse joint venture "doesn't only represent new jobs and a new, vibrant, economic engine in our state, but that Louisiana is harnessing the future of the energy industry and the most innovative thinking of the next generation."

Nuclear energy has boundless economic potential here at home and abroad. Approximately 16 percent of the world's electricity comes from nuclear power. Moreover, the International Atomic Energy Agency estimates that worldwide nuclear power capacity will increase 15 percent to 42 percent by 2020 and 21 percent to 87 percent by 2030 compared to 2006 levels. This forecast suggests that worldwide capital

investment could total anywhere from \$500 billion to \$2 trillion (in today's dollars) over the next 20 years.

Louisiana is also well positioned to meet the global demand for new nuclear reactors. The demand will include shifting from a craft-based approach using unique products to standard manufacturing designs. The shift will also require key, specified fabrication centers that produce modular components for nuclear plants around the world. Given the state's globally competitive industrial construction and shipbuilding sectors, this creates attractive economic opportunities for Louisiana. In Louisiana, the nuclear energy industry could generate roughly 20,000 high-wage jobs, diversify the state's energy sector, enhance state competitiveness, significantly boost the economy and foster innovation.

The nuclear renaissance that started half a century ago is finding new life in Louisiana. By focusing business development efforts and targeting public policies at the nuclear power development industry, Louisiana plans to build upon its existing momentum and seize the opportunity to become a leader in the global nuclear renaissance. **EQ**

What America's Leaders Are Saying About NUCLEAR POWER

"There is certainly a changing mood in the country, because nuclear is carbon-free, that we should look at it with new eyes."

STEVEN CHU

U.S. Secretary of Energy

Senate Confirmation Hearing, Jan. 13, 2009

"Nuclear power has a great future, and I think that we should look at it seriously again ... rather than just looking the other way and living in denial."

GOV. ARNOLD SCHWARZENEGGER (R-CALIF.)

The Wall Street Journal, March 14, 2008

"The future of this country is dark without nuclear power."

REP. JOHN DINGELL (D-MICH.)

Former Chairman, House Energy and Commerce Committee

Richmond Times-Dispatch, April 9, 2008

"In the coming decades, we will have to convert to solar power and safe nuclear power, both of which offer essentially unbounded energy supplies."

JEFFREY SACHS

Director, The Earth Institute at Columbia University
Scientific American, September 2008

"Nuclear power today supplies the vast majority of U.S. low-carbon electric energy. Existing plants are safe and efficient, and the next generation promises to be more passively safe and more efficient."

JOHN ROWE

Chairman, President and Chief Executive Officer, Exelon Corp.; remarks made at the Brookings Institution, Feb. 12, 2008

Source: Nuclear Energy Institute





ALL EYES ON LOUISIANA

From **46th** to **5th** in ethics ... and rising.

When it comes to national rankings, states rarely leap from the bottom all the way to the top. Yet last fall, the Better Government Association, one of the nation's leading government watchdog groups, ranked Louisiana's governmental ethics laws fifth in the nation, up from 46th in its previous rankings.

BGA's Alper Integrity Index rates all 50 states on five dimensions: open records laws, whistle-blower laws, campaign finance laws, open meetings laws and conflict of interest laws, using the Center for Public Integrity rankings.

After making government transparency and accountability a centerpiece of his campaign, Gov. Bobby Jindal called a special legislative session to pass sweeping ethics reforms shortly after taking office in January 2008. The Legislature supported a wide range of governmental ethics reform laws that quickly improved the national perception of Louisiana's business environment.

The special session was held partly in response to research by Louisiana State University's Public Policy Research Lab, which indicated that out-of-state business executives considered improvement of Louisiana's corrupt image to be one of the top two things Louisiana could do to attract more business investment.

In the new BGA ranking, the state placed second in whistle-blower laws, fourth in open meeting laws, 20th in campaign finance laws and 44th in conflict of interest laws. However, when the rankings were released, BGA Executive Director Jay Stewart said, "To score each state's conflict of interest laws,

the BGA relied on the Center for Public Integrity's ranking of state conflict of interest laws. That ranking has not been updated since 2006. Accordingly, Louisiana's recent sweeping changes to its conflict of interest laws are not reflected in this edition of the index. If Louisiana's recent changes were scored, its overall ranking would rise to No. 1, and No. 1 in conflict of interest laws."

Louisiana lawmakers and economic developers are hoping the new ethics reforms and nationally recognized rankings will influence site selectors and decision makers. Barry Erwin, president and chief executive officer of the Council for a Better Louisiana, and other Louisiana business leaders feel the state's image is already changing.

**If Louisiana's recent changes
were scored, its overall
ranking would rise to No. 1.**

"I think it has already sent a signal to people in other parts of the country that we don't tolerate corruption the way they used to perceive us," said Erwin. "It's given us a good tool as we try to recruit business to Louisiana, and it begins to refute some of the negative perceptions that people have had about us."

A few months after the special session on ethics reform, Albemarle Corp., a Fortune 1000 company, announced a relocation of its headquarters from Virginia to Louisiana, citing the recent ethics reform push as one of the key factors influencing its decision. **EQ**

Louisiana's **FAST START** **CREATING** a more Competitive **WORKFORCE**

the news was disturbing and ironic. In early 2008, Louisiana's unemployment rate was at its lowest in 30 years, yet only 60 percent of residents age 16 and older were participating in the job market. Roughly 100,000 available jobs in the state sat vacant, representing lost opportunities for families and for businesses hungry to expand.



Louisiana's so-called training gap, in which frustrated employers can't find qualified workers, is not a new issue. But as the state's economy has grown in recent years, the problem has reached a fever pitch, according to Edward L. Rispone, management board chairman of Industrial Specialty Contractors in Baton Rouge, La., a proponent of workforce development reform and the newly appointed chairman of the Louisiana Workforce Investment Council.

"In every meeting I am in, the question comes up over and over again," he said. "Businesses ask, 'where are we going to get the people?'"

Rispone and others got their answer last spring when newly elected Gov. Bobby Jindal proposed a sweeping overhaul of the state's workforce development system. A series of reforms adopted by the Legislature in 2008 aims to improve how workers are trained and how they're connected to the needs of business and industry.

The plan's five components include targeting and expanding community and technical college programs, responding immediately to workforce issues, maximizing input from business and industry, expanding the career options of high school students and recruiting and training new workers to fill available jobs (see pg. 35). Multiple partners and state agencies will fulfill the plan's goals.

Many business leaders believe the all-hands-on-deck approach, which leans on the state's economic development, education and workforce agencies, as well as the Louisiana Community and Technical College System, will finally address what has been a major impediment to retaining and attracting businesses.

"Workforce quality and availability is the top issue cited by companies interested in coming to Louisiana, and it has often kept us from competing," said Louisiana Economic Development Secretary Stephen Moret. "What's exciting is that, with these changes, we can make a big difference in a relatively short amount of time."

Among the plan's first orders was replacing the cumbersome, antiquated Louisiana Department of Labor with the Louisiana Workforce Commission, an organization created to respond nimbly to the marketplace. Executive Director Tim Barfield said the new model will better reconcile the needs of businesses with how the state prepares its workforce.

"Our goal is for Louisiana's workforce system to be demand-driven, customer-focused and results-oriented," said Barfield.

The LWC will work jointly with other state entities to ensure regional job training is driven by regional demands, and to grow

the workforce by recruiting from among the thousands of unemployed Louisianians who lack job skills and know-how, but not aptitude. Furthermore, the agency's programming will dovetail with job growth patterns and incorporate substantial private sector feedback. To keep workforce delivery responsive to changing demands of employers, business leaders will lead 18 regional Workforce Investment Boards.

Business leaders also make up the majority of the new Workforce Investment Council, which has oversight responsibility for the performance of the workforce delivery system and determining the demand occupations. The training required to help fill vacancies in demand occupations will be a major driver of training curricula and funding within LCTCS. These changes in funding structure

"Workforce quality and availability is the top issue cited by companies interested in coming to Louisiana."



support the targeting and expansion of community and technical college programs – a primary training pipeline. Campuses will be able to expand high-demand, higher-cost programs, such as nursing and welding, with the help of a new funding formula based on program costs rather than on enrollment only. Formerly, colleges were compensated equally for low-cost curricula like cosmetology, despite demand for more expensive coursework.

"This is about being responsive and meeting immediate and long-term needs," said LCTCS President Joe May, Ph.D. "Our schools will serve as a conduit for workforce training."

Another partner, the Louisiana Department of Education, will improve how high school students are prepared for work. "In today's world, 70 percent of future jobs will require some post-secondary education, but not a four-year degree," said LDOE Superintendent Paul Pastorek. "It's all about how we get kids to stay in school, pursue post-secondary education and take a hard look at community and technical education."

The agency will expand dual-enrollment programs in which high school students earn credit through community and technical colleges. LDOE will also grow the nationally recognized Jobs for America's Graduates program, which connects students to mentors and paid internships. Another pilot, launched in January, provides job counseling and training to students who choose the General Educational Development exam over completing school.

Such programs shoot for long-term gains, but the business community says it needs qualified workers now.

"I've never been more encouraged, and we're definitely on the right track," said workforce development advocate Woody Oge, site director of Northrop Grumman Ship Systems in Avondale. "But the private sector wants to see it done yesterday."

To produce immediate return, LED launched Louisiana FastStart™ in December, part of the workforce redesign plan's

"Rapid Response" component, which also funds quick turn-around training programs, such as construction, at community and technical colleges.

Initially inspired by the state of Georgia's highly respected Quick Start program, FastStart will assist companies in employee recruiting and

screening, and will deliver customized training for employees of new and expanding companies. Georgia Quick Start was recognized as one of the state's most powerful weapons in landing national and international companies. In each of the last six years, it helped Georgia earn the No. 1 or No. 2 spot in *Expansion Management* magazine's national roundup of top site selection states.

"When you deliver a trained workforce that can execute a company's business plan at no cost, you remove a tremendous amount of uncertainty," said Moret. "With Louisiana FastStart, we are doing things that will make a significant, measurable difference in our ability to compete over the next 18 months and that will show large gains within three years."

LED's FastStart partners include LCTCS, with its 48 community and technical college campuses, and LWC, the portal for potential workers.



LED's first step in spearheading the new program was recruiting one of the country's top corporate training experts to run it. Jeff Lynn, former director of regional project operations at Georgia's Quick Start, is credited for creating customized training programs for hundreds of new and expanding companies, including Cessna, Kia, GEICO, Suzuki, General Mills, Honda, General Motors and Toyo Tires.

The trick, says Lynn, is to understand what each company needs from its workforce and to craft training curricula with intense specificity. Modules are designed for adult learners and use a variety of media, including custom videos, to get the message across.

"The selection and training programs need to replicate what the company is doing as closely as possible," he said. "We study their operations intimately — we become part of the company so that we're able to deliver the right training product."

Lynn's commitment to learning company culture helped Georgia land Toyo Tires' first domestic plant. As Toyo's leadership interviewed state officials during their site selection process, Lynn suggested the first step in creating a training plan was to view the company's existing operations firsthand.

The idea tipped the balance in Georgia's favor.

"Jeff and his team traveled and performed a project study at our facility in Japan," recalled Carlos Kibata, president and chief

executive officer of Toyo Tire Holdings of Americas Inc. "Based on that trip they developed a detailed training plan proposal. Once they returned, they began to develop the customized training programs. We now have a world-class training program for our company."

This kind of value proposition is what made Quick Start an easy sell in Georgia, according to Lynn, and is what he expects to see from FastStart in Louisiana.

"It's extremely competitive now between states, and you absolutely have to offer this to companies if you want to compete and if you want to grow the businesses you have," he said.

Louisiana FastStart began earlier this year with pilot programs, including new training curricula for the Baton Rouge Coca-Cola Bottling Company's \$93 million plant expansion. The plant will add up to 113 new jobs by 2012.

Lynn expects Louisiana FastStart to be fully operational by the end of 2009, and he's confident the state will see immediate return-on-investment. "We're going to put this system in place and blow people away," he said.

Moret is counting on it.

"We think Louisiana FastStart is going to help us crack the top 10 in workforce programs in two years, and we'll be in the top three within three years," Moret said. "And we believe it's going to help rebrand our state." **EQ**

"I've never been more encouraged, and we're definitely on the right track."



LOUISIANA FASTSTART FACTS

What it offers: Turnkey recruitment, selection and training solutions for new and expanding companies.

Who is eligible: Manufacturing or research-and-development facilities that commit to at least 15 new jobs or service-related operations that create at least 50 new jobs.

Fiscal Year 2009 budget: \$3 million

Cost to companies: NONE

LOUISIANA'S NEW WORKFORCE REDESIGN PLAN WILL:

- 1 Strengthen community and technical colleges.**
Enrollment in the fledgling system has doubled since 1999. Now, a revised funding formula, accelerated training programs and a quality guarantee for employers will help schools maximize their impact.
- 2 Immediately respond to urgent workforce opportunities and challenges.**
A \$10 million "rapid response" training fund will support high-demand community and technical college curricula, while Louisiana FastStart will train fleets of workers for new and expanding companies.
- 3 Maximize the input of business and industry to realign workforce strategy.**
Tossing out the bureaucratic Department of Labor of the past, the plan creates the market-driven, progressive Louisiana Workforce Commission, a new agency driven by substantial business input.
- 4 Expand the career options of high school students.**
Most jobs of the future will require more than a high school diploma but less than a four-year degree. A revised approach to career counseling and apprenticeship programs will help students acquire skills that lead to stable, rewarding employment.
- 5 Recruit and train new workers to fill thousands of available jobs.**
Recruitment and training of unemployed residents will grow the labor pool, and targeted out-of-state recruitment will attract new workers for hard-to-fill jobs.



NFT

raises the bar on

TECHNOLOGY

Watching a live webcast can be extremely frustrating. Often the audio is inaudible, and the video is barely visible. So, is it your computer? Or is it your Internet connection? Actually, it's neither. The problem is webcasting.

Until now, it has been cost-prohibitive to stream live or even recorded video to a mass audience over the Internet. However, one company in Ruston is changing that. Network Foundation Technologies, or NFT, has developed a new kind of Web broadcasting technology that delivers an affordable, easy-to-use, around-the-clock, television-style Internet broadcast. The Ruston company is also helping to change the perception of Louisiana's high-tech economy.

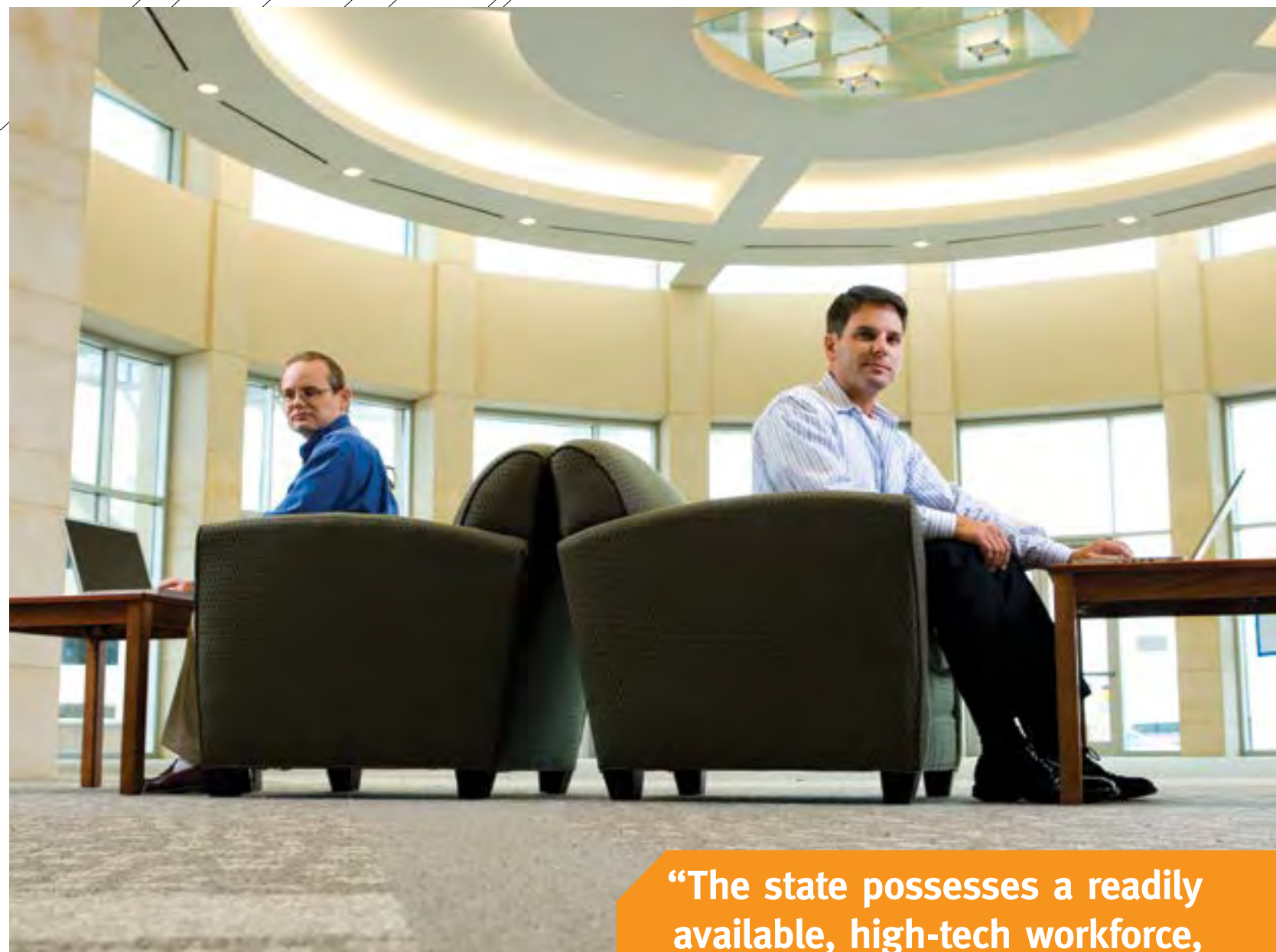
Technology journalist Geoff Daily recently visited NFT and walked away "enamored by how they've built up this cutting-edge app development company in one of the last places you'd think of as a hotbed of technology."

In addition to changing perceptions of Louisiana, the company is strengthening the state's innovation ecosystem. NFT was founded by Professor Mike O'Neal and Marcus Morton on the campus of Louisiana Tech University. O'Neal is a computer science professor at Louisiana Tech, and both entrepreneurs hold degrees from the university.

Both are committed to Louisiana and to growing its high-tech, knowledge-based economy. Throughout their careers, Morton and O'Neal noticed that Louisiana never lacked well-educated engineers — and they were well aware of the innovative spirit that existed in Louisianians. What was missing were opportunities.



Streaming live or recorded video is now a lot easier, thanks to the innovative technology behind NiFTy TV, a new kind of broadcasting solution created by NFT in Ruston.



"The state possesses a readily available, high-tech workforce, which made our decision easy."

— Marcus Morton, NFT

So Morton and O'Neal set out to create their own opportunity. "We started NFT in Ruston to provide jobs in Louisiana for people with high-tech skills," said O'Neal. "The state possesses a readily available, high-tech workforce, which made our decision easy," added Morton.

NFT started with an innovative idea, but like many startups, the company needed capital to get off the ground. To get started, NFT used Louisiana Economic Development's Angel Investor Tax Credit Program, which enhances Louisiana's entrepreneurial business environment by rewarding qualified individual investors for investing in wealth-creating businesses. Investors can receive tax rebates

or corporation franchise tax credits of up to 50 percent of the money they invest in Louisiana entrepreneurial businesses.

O'Neal's and Morton's NFT is just one company creating new opportunities in Louisiana by offering high-tech jobs that require innovation and skills to meet the demands of the 21st-century marketplace. This type of entrepreneurial capitalism is growing Louisiana's knowledge-based economy, diversifying the state's economy and laying the foundation for future economic growth. **EQ**

William Joyce

Author and animator William Joyce, who created children's characters Rolie Polie Olie and George Shrinks, and animated the films "Robots" and "Meet the Robinsons," talked to *EQ* about his vision for the future of animation in Louisiana and his newest project, "The Fantastic Flying Books of Mr. Morris Lessmore."

[EQ] What got you interested in animation?

[A] I spent a year pretending to be in art school because I knew my father could understand that, but secretly switched to film and journalism.

[EQ] What brought you back to Louisiana?

[A] I've actually been living here since birth, with stints in other places to work. But Louisiana just seems like home.

[EQ] Does location matter in your business?

[A] For "Rolie Polie Olie," we were never even in the same continent. We had people in Louisiana, Toronto, Ho Chi Minh City and France. Animation is not site specific. Pixar started out in a strip mall in a dodgy part of the Oakland, Calif., area. Blue Sky started out in an old dentist's office in upstate New York. There is absolutely no reason something similar can't start in Shreveport or New Orleans or Louisiana in general.

[EQ] How do you see the future of animation in Louisiana?

[A] There's an increasing need for material for all new media. Animation is part of that, and there's no reason not to create it here. I'm proof that you can do it anywhere.

The smart thing the state has already done is setting up the infrastructure so that we're already in the curve of that new media paradigm because of the film incentives and state programs.

But we need to start building the capacity to feed the incredible interest kids have in animation and digital media. We need the educational pipeline for kids to learn what

they need to learn to find animation work, and we need the jobs for them to go into.

[EQ] What are you working on to help promote animation in Louisiana? How did that come about?

[A] When we sat down with Louisiana Economic Development Secretary Stephen Moret, we were already trying to figure out how to build the animation industry here. So I said, let's make a computer-animated short film made entirely in Louisiana. It will show the world it can be done here.

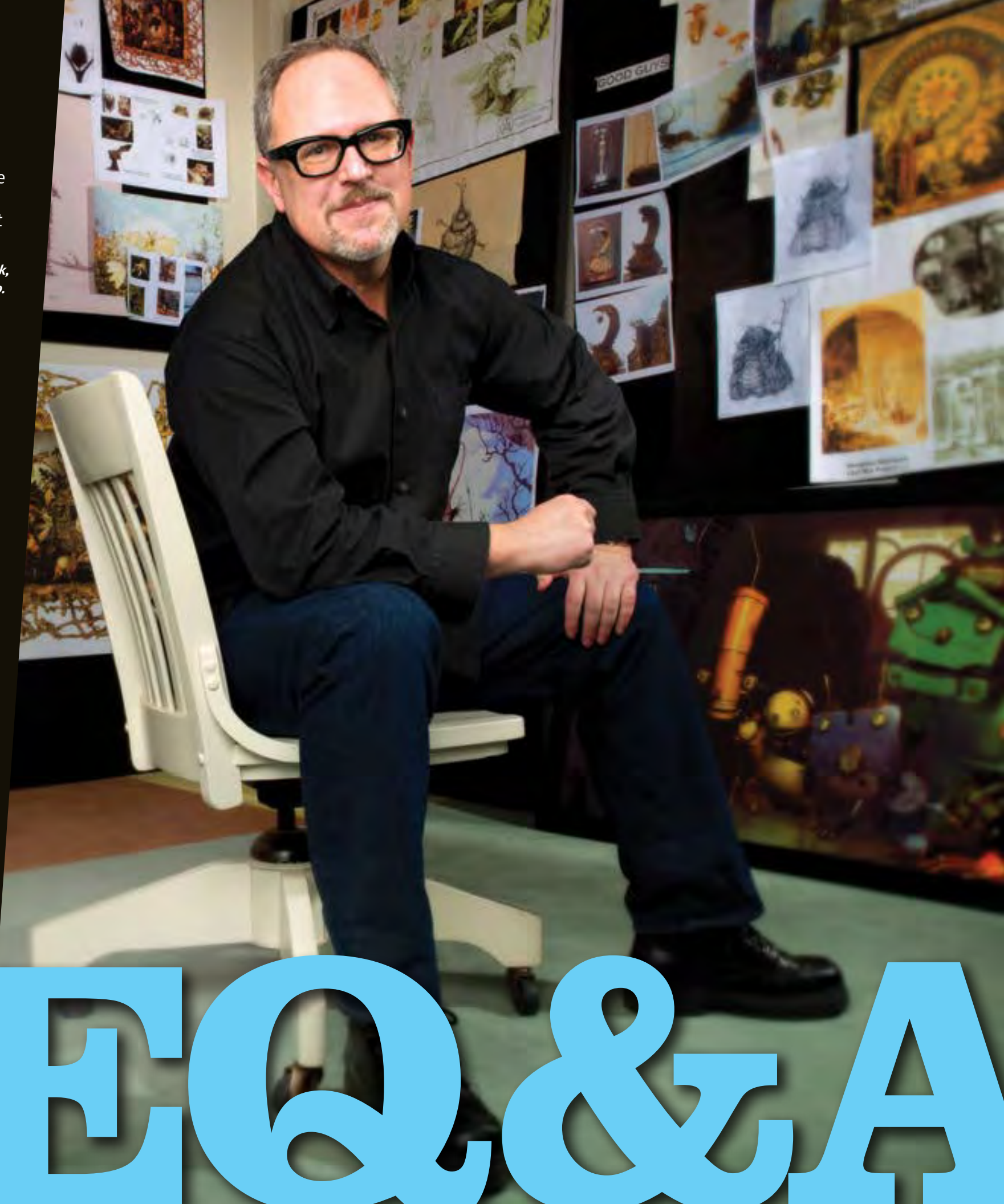
At the same time, we'll be setting up the infrastructure to start an animation studio here. So, we'll bring some key people in; seduce them with the charm of Louisiana and all the great things about living here. We'll be teaching students. We'll determine how to build a curriculum. And we'll produce a really great short film at the same time.

[EQ] Tell us about the film, your hopes for it and what you think it will achieve.

[A] "Morris Lessmore" is a humorous, allegorical fable about the importance of stories in everyone's lives, and how storytelling is an essential part of who we are.

Louisianians are born storytellers. What we want to do is prove that we have the technology, the talent and the capability to tell animated stories here in Louisiana.

Our music, food, literature and culture light up the world. Our animation can do the same. It would be great if we didn't have to leave Louisiana to do it. That's what we're trying to do with "Morris Lessmore": create an opportunity for Louisiana to light up the world of animation, right here at home.



EQ & A

Cameron Valves Adds ‘Quality Jobs’



Last fall, Gov. Bobby Jindal, Louisiana Economic Development Secretary Stephen Moret and other officials were present as Cameron Valves and Measurement made a major announcement in Ville Platte, La. The international manufacturer committed to a \$49 million local expansion, a project that will retain 500 positions and create 110 new jobs at an average annual salary of \$49,000. President Jim Wright said the expansion was one of the most significant in company history.

Cameron’s choice of Evangeline Parish was a huge win for the state. A global leader in providing equipment, systems and services to the oil and gas industries, the company operates in more than 250 locations worldwide. Cameron also provides approximately 75 percent to 80 percent of North America’s standard large-bore natural gas pipeline valves and nearly 40 percent of the Far East’s.

An expansion could have occurred at any of Cameron’s 250 locations, but LED’s Quality Jobs Program gave Louisiana the edge. The program is available to qualifying new and existing businesses when they create a minimum of five new, full-time jobs that pay

at least \$14.50 an hour in wages and offer health care benefits. In addition, the Quality Jobs Program provides companies with cash rebates of 5 percent or 6 percent of annual gross payroll for new, direct jobs for up to 10 years.

Once completed, the expansion will help the facility increase large valve production by 20 percent, said Plant Manager Josh Stanford.

“We had predicted we would reach maximum capacity by the end of 2008,” Stanford said. “This further secures the plant’s future and helps us bring in a new pipeline of work.” **EQ**

“The company considered a number of locations, but Cameron-Ville Platte prevailed because of the incentives offered by Louisiana Economic Development.”

— Josh Stanford, Plant Manager of Cameron Valves and Measurement

LOUISIANA INCENTIVE SNAPSHOT

Economic Incentives for Businesses of All Sizes

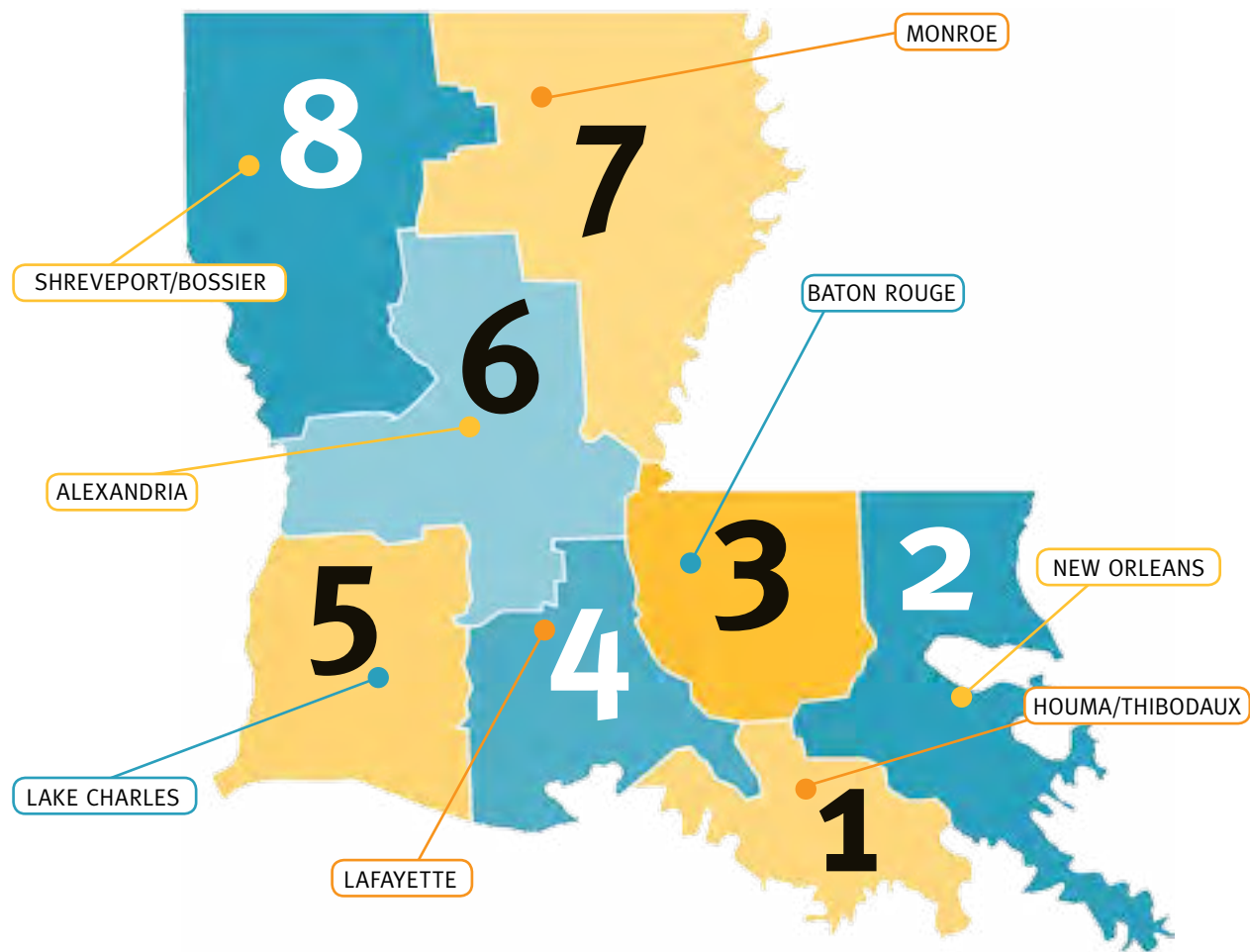
Program Name	Benefit	Eligibility (not comprehensive)
Enterprise Zone	Tax credit program: provides \$2,500 credit per new job, and rebates 4% sales/use tax on materials, machinery or equipment	<ul style="list-style-type: none">• Must increase employment by 10% within the first 12 months• Or add at least five new jobs in the first two years
Quality Jobs	Cash rebate: provides 5% or 6% rebate of annual gross payroll for new direct jobs for up to 10 years	<ul style="list-style-type: none">• Must fall within one of the state’s six target industries: Biotechnology and Biomedical; Micromanufacturing; Software, Internet and Telecommunications; Environmental Technology; Food Technology; or Advanced Materials• Or have total annual out-of-state sales of at least 50%
Restoration Tax Abatement	Property tax abatement: provides five-year abatement for the rehabilitation of an existing structure	<ul style="list-style-type: none">• Must be located in a qualifying district and approved by local governing authority• Taxes based on assessed valuation of property prior to beginning of improvements
Industrial Tax Exemption	Property tax abatement: provides abatement for materials used in new manufacturing, for up to 10 years	<ul style="list-style-type: none">• Applies only to capital investments by Louisiana manufacturers
Research & Development Tax Credit	Tax credit program: provides credit for up to 8% of the state’s apportioned share of increased R&D expenses or 25% of its apportioned share of federal research	<ul style="list-style-type: none">• Must encourage efforts to conduct research and development activities in Louisiana• Must have received SBIR/STTR or claimed credit under 26 USCA section 41
Sound Recording Investor Tax Credit	Tax credit program: provides credit for up to 25% of production or infrastructure development	<ul style="list-style-type: none">• Must spend at least \$15,000 in Louisiana
Digital Interactive Tax Credit	Tax credit program: provides credit for up to 20% of qualified production expenditures	<ul style="list-style-type: none">• Must be a digital interactive production in Louisiana
Motion Picture Industry Development Tax Credit	Tax credit program: provides credit for up to 25% of motion picture production with a potential bonus credit of up to 10% on local labor and up to 40% for infrastructure development	<ul style="list-style-type: none">• Must spend at least \$300,000 on motion picture production in Louisiana
Live Performance Tax Credit	Tax credit program: provides credit for up to 25% of production and infrastructure development, with additional credits available for payroll and transportation costs	<ul style="list-style-type: none">• Must spend at least \$100,000 on production or infrastructure projects in Louisiana
Workforce Development and Training Program	Workforce development: provides pre-employment and on-the-job training	<ul style="list-style-type: none">• Must be new Louisiana company or existing company operating three years or less
Economic Development Award Program	Loan/grant program: provides funding for publicly owned infrastructure for industrial or business development projects	<ul style="list-style-type: none">• Must be a public or quasi-public state entity requesting a minimum of \$25,000• Must create or retain at least 10 permanent jobs in Louisiana
Technology Commercialization Credit and Jobs Program	Tax credit program: provides credit for companies that invest in commercialization of Louisiana technology and create new jobs	<ul style="list-style-type: none">• Technology created by or commercialized at a Louisiana business

Special Incentives for Small Businesses

Program Name	Benefit	Eligibility (not comprehensive)
Small Business Loan Program	Loan guarantee program: provides up to 75% guarantee and state participations up to 40% for banks that facilitate capital accessibility	<ul style="list-style-type: none">• Must be a Louisiana small business (as defined by SBA)• Must have a business plan and a bank willing to fund the loan
Micro Loan Program	Loan guarantee program: provides up to 80% guarantee and state participations up to 50% for banks that fund loans from \$5,000 to \$50,000	<ul style="list-style-type: none">• Must be a Louisiana small business (as defined by SBA)
Contract Loan Program	Loan guarantee program: provides participations with banks that fund government contract loans from \$5,000 to \$1 million for terms of one year or less	<ul style="list-style-type: none">• Must be a Louisiana small business (as defined by SBA)• Must have a business plan and a bank willing to fund the loan
Bonding Assistance Program	Bonding assistance: provides up to 25% guarantee for companies bidding on private or public jobs	<ul style="list-style-type: none">• Must be certified in Small and Emerging Business Development Program (SEBD)• Must complete Louisiana Contractors Accreditation Institute or have LED waiver
Angel Investor Tax Credit	Tax credit program: provides credit up to 50% for individual investors when they invest in certain early stages of wealth-creating businesses	<ul style="list-style-type: none">• Must have principal business operations in Louisiana• Must have Louisiana tax identification number
Mentor-Protégé Tax Credit	Tax credit program: provides up to \$50,000 per year for participating firms that provide technical assistance to protégé firm	<ul style="list-style-type: none">• Must be certified active in SEBD program or registered in the state’s Hudson Initiative Program (protégé firm)

FOR MORE INFORMATION ON LOUISIANA’S INCENTIVES, CALL 225.342.5675.

Louisiana's Economic Development REGIONS & PARTNERS



REGION	REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION	REGIONAL HUB
1. BAYOU	South Louisiana Economic Council	Houma/Thibodaux
2. SOUTHEAST	Greater New Orleans Inc.	New Orleans
3. CAPITAL	Baton Rouge Area Chamber	Baton Rouge
4. ACADIANA	Acadiana Economic Development Council	Lafayette
5. SOUTHWEST	Southwest Louisiana Economic Development Partnership	Lake Charles
6. CENTRAL	Central Louisiana Economic Development Alliance	Alexandria
7. NORTHEAST	Northeast Louisiana Economic Alliance	Monroe
8. NORTHWEST	Northwest Louisiana Economic Development Foundation	Shreveport/Bossier

Louisiana has an extensive network of economic development organizations and allies dedicated to helping our communities attract, grow and maintain business in our state.

1. Bayou Region

- Assumption Chamber of Commerce
- Chamber of Lafourche and the Bayou Region
- Houma-Terrebonne Chamber of Commerce
- Lafourche Parish Economic Development
- South Central Industrial Association
- St. Mary Chamber of Commerce
- St. Mary Economic Development
- St. Mary Industrial Group
- Terrebonne Economic Development Authority
- Thibodaux Chamber of Commerce

2. Southeast Region

- Jefferson Parish Economic Development Commission
- Plaquemines Association of Business & Industry
- St. Bernard Parish Economic Development Foundation
- St. Charles Parish Department of Economic Development & Tourism
- St. James Parish Department of Economic Development
- St. John the Baptist Parish Department of Economic Development
- St. Tammany Economic Development Foundation
- Tangipahoa Economic Development Foundation
- Washington Economic Development Foundation

3. Capital Region

- Ascension Economic Development Corporation
- City of Baton Rouge/East Baton Rouge Parish
- East Feliciana Parish Economic Development
- Greater Pointe Coupee Chamber of Commerce
- Iberville Chamber of Commerce
- Livingston Economic Development Council
- St. Helena Parish Economic Development Committee
- West Baton Rouge Chamber of Commerce
- West Feliciana Parish Community Development Foundation

4. Acadiana Region

- Crowley Chamber of Commerce
- Greater Abbeville-Vermilion Chamber of Commerce
- Iberia Industrial Development Foundation
- Lafayette Economic Development Authority
- Louisiana Immersive Technologies Enterprise
- St. Landry Parish Economic Industrial Development District
- St. Martin Economic Development Authority

5. Southwest Region

- Chennault International Airport Authority
- City of Lake Charles Planning and Economic Development Department
- DeQuincy Chamber of Commerce
- DeQuincy Economic Commission
- Greater Beauregard Chamber of Commerce
- Greater DeRidder Area Chamber of Commerce
- Greater Jennings Chamber of Commerce
- Jeff Davis Parish Office of Economic Development
- Jennings Main Street
- Kinder Louisiana Chamber of Commerce
- Lake Charles Downtown Development Authority
- Lake Charles Regional Airport
- Oakdale Area Chamber of Commerce
- Sulphur Industrial Development Board
- The Chamber/SWLA
- The Port of Lake Charles
- West Calcasieu Port, Harbor and Terminal District

6. Central Region

- Alexandria Central Economic District
- Alexandria/Pineville Convention and Visitors Bureau
- Alexandria Regional Port Authority
- Avoyelles Parish Port Commission
- Cenla Advantage Partnership
- Central Louisiana Business Incubator
- Central Louisiana Chamber of Commerce
- Concordia Economic & Industrial Development Board
- England Economic and Industrial Development District
- Greater Alexandria Economic Development Authority
- Greater Vernon Chamber of Commerce
- Kisatchie Delta Regional Planning & Development District Inc.
- LaSalle Economic Development District
- North Rapides Business and Industry Alliance
- O.U.T.S.: Olla, Urania, Tullos, Standard Economic Development Board
- Pineville Downtown Development District
- The Rapides Foundation
- Winn Economic and Industrial District

7. Northeast Region

- Bernice Industrial Development Corporation
- Caldwell Parish Industrial Development Board
- Concordia Parish Chamber of Commerce
- Franklin Economic Development Foundation
- Jackson Parish Chamber of Commerce

- Jackson Parish Economic Development
- LA Delta 65 Inc.
- Lake Providence Port Commission
- Monroe Chamber of Commerce
- Morehouse Economic Development Commission
- Rayville Economic Development
- Tensas Revitalization Alliance
- Union Parish Chamber of Commerce
- West Carroll Parish Chamber of Commerce
- West Monroe-West Ouachita Chamber of Commerce

8. Northwest Region

- Arcadia/Bienville Parish Chamber of Commerce
- Bossier Chamber of Commerce
- Caddo-Bossier Port Commission
- City of Natchitoches Economic Development Commission
- Claiborne Chamber of Commerce
- DeSoto Parish Chamber of Commerce
- Greater Bossier Economic Development Foundation
- Greater Shreveport Chamber of Commerce
- Minden-South Webster Chamber of Commerce
- Natchitoches Area Chamber of Commerce
- North Webster Chamber of Commerce
- Red River Parish Chamber of Commerce
- Ruston-Lincoln Chamber of Commerce
- Sabine Parish Chamber of Commerce

In addition to working with these organizations, LED regularly works with municipalities, parishes, police juries and utilities on economic development initiatives.

- Statewide partners include:
- American Electric Power/Southwestern Electric Power Company
 - Association of Louisiana Electric Cooperatives
 - Cleco Corp.
 - Entergy Louisiana Economic Development Group
 - Louisiana Industrial Development Executives Association
 - Louisiana Municipal Association
 - Louisiana Small Business Development Centers
 - Police Jury Association of Louisiana
 - Ports Association of Louisiana

A sepia-toned illustration of a young man, Mr. Morris Lessmore, walking towards the viewer. He is wearing a wide-brimmed straw hat, a light-colored suit jacket over a white shirt and a striped tie, and light-colored trousers. He carries a long-handled umbrella over his right shoulder and a small book or portfolio under his left arm. The background is a sketchy, textured landscape with rolling hills, a few trees, and a small building in the distance.

The Fantastic Flying Books of MR. MORRIS LESSMORE

The Producers of Morris Lessmore Found More in Louisiana.

The talent, technology and film incentive programs available in Louisiana are making it possible for author and animator William Joyce and his company DigiLou to bring Morris Lessmore to life right here in Shreveport. It demonstrates Louisiana's ability to produce world-class digital media from script, animation and filming to voice, music and postproduction. Morris Lessmore is scheduled for completion in 2010.